

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2021-007-00276R

Parcel No. 881101227006

Mark Louis Sigwarth,

Appellant,

vs.

Black Hawk County Board of Review,

Appellee.

Introduction

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on March 25, 2022. Mark Sigwarth was self-represented. Assistant Black Hawk County Attorney Michael Treinen represented the Board of Review.

Mark Sigwarth owns a residential property located at 515 Kerry Lane, Jessup, Iowa. Its January 1, 2021, assessment was set at \$309,160, allocated as \$48,690 in land value and \$260,470 in building value. (Ex. A).

Sigwarth petitioned the Board of Review claiming that the property was assessed for more than the value authorized by law; in the space reserved for an error claim he also wrote, "Recently appraised for \$305,000." Iowa Code § 441.37(1)(a)(1)(b & d) (2021). (Ex. C). The Board denied the petition. (Ex. B)

Sigwarth then appealed to PAAB asserting his property's assessment is not equitable as compared with assessments of other like property in the taxing district, that his property is over assessed, and that there is an error in the assessment. § 441.37(1)(a)(1)(a, b & d).

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-story home built in 1999. It has 2248 square feet of gross living area; a full basement with 1700 square feet of living-quarters quality finish; an open porch; two decks; and a two-car attached garage. The dwelling is listed in normal condition with a 2+00 grade (high quality). The site is 1.115 acres. (Ex. A).

Sigwarth purchased the property in October 2019 for \$300,000. He testified he used the services of a realtor for the transaction. He recalled the property was listed for four to five months, at an original list price between \$315,000 and \$320,000. During this time the price was lowered to \$305,000 before his ultimate purchase at \$300,000. In conjunction with the transaction, Sigwarth obtained an appraisal of the property that concluded a market value of \$305,000 for the subject. The appraisal is not in the current record.

Sigwarth previously protested and appealed the January 1, 2020, assessment of the subject property. The Board of Review denied the 2020 petition and Sigwarth appealed to PAAB. Sigwarth and the Board of review reached a settlement on the 2020

assessment in January 2021 setting the subject property's value at \$305,000 as of January 1, 2020. *Sigwarth v. Black Hawk County Board of Review*, PAAB Docket No. 2020-007-00196R.

Sigwarth complains that two months after the settlement he received the January 1, 2021, assessment notice from Black Hawk County setting the value at \$309,160. He expressed frustration with this timing, contending the new assessment was \$9,160 more than his purchase price. Thus, he protested the 2021 assessment. The new assessment represents a 3%¹ increase over the purchase price, and a 1.4%² increase over the stipulated 2020 value of the property at \$305,000.

The Board of Review submitted four sales of one-story homes in the subject's subdivision that occurred between 2019 and 2020. All were identified as normal arm's-length transactions. (Exs. D-E). The Board of Review did not adjust the sales to arrive at a market value for the subject, but rather relies on them as an indication of what similar properties are selling for. PAAB requested the Board of Review submit the property record cards for each comparable. (Exs F-I). These properties are summarized in the following table.

Address	Site Size (Acres)	Grade	Year Built	Gross Living Area (SF)	Basement Finish (SF)/ Quality	Sale Date	Sale Price	2021 Assessed Value	AV/SP Ratio
Subject	1.115	2+00	1999	2248	1700/ LQ	Oct-19	\$300,000	\$309,160	1.03
1 - 314 Limerick Dr	0.468	2+00	2006	2456	1625/LQ WO	Aug-20	\$394,900	\$374,370	0.95
2 - 355 Kerry Ln	0.485	3+05	2008	1619	1250/LQ	Jul-19	\$278,000	\$279,850 ³	1.00
3 - 255 Killarney Dr	0.417	3+05	2017	1666	1125/LQ	Jul-20	\$300,000	\$255,140	0.85
4 - 1814 Killarney Dr	0.468	3+05	2003	1844	460/ Rec Rm	Sep-20	\$304,900	\$247,300	0.81

The subject property is the oldest home, but also has a site more than twice the size any of the sales. It and Comparable 1 have the same high-quality grade, while the others all have good-quality grades. The subject has the most basement finish, but the smallest garage. Comparables 2, 3, and 4 have significantly less total living area. None

¹ \$309,160 2021 Assessed Value / \$300,000 2019 Sale Price = 3%.

² \$309,160 2021 Assessed Value / \$305,000 2020 Assessed Value =1.4%.

³ Sigwarth contends the assessed value of this property at the time of purchase was \$260,000, although the record does not reflect this value. He believes this assessed value represented 93% of the sale price. He acknowledges the current assessment is higher than the sale price.

of the comparables receive a topography adjustment to the site, like the subject. Only Comparable 2 receives a 5% functional obsolescence in the assessment compared to the subject's 15% adjustment. The Board of Review's analysis ranked Comparable 2 as most similar to the subject. (Ex. E). We note, however, that after Comparable 2's sale a new garage addition was constructed; thus, its assessment-to-sales-price ratio may be skewed.

Sigwarth analyzed this data as well as other data available on the Black Hawk County Assessor's website. He believes these properties demonstrate inequity based upon their sale prices relative to their assessments. We note the assessed-value-to-sales-price ratio for the Comparables 1, 3, and 4, which are all 2020 sales, ranges from 0.81 to 0.95, with a median of 0.85 and an average of 0.87.⁴ A ratio less than 1.00 suggests a property is assessed for less than its market value. Sigwarth's current ratio is 1.03 compared to his 2019 sales price and 1.01 compared to the property's 2019 appraised value and 2020 assessment.

Sigwarth acknowledged he has not had a more recent appraisal of his property, nor a comparative market analysis performed by a realtor. He further contends his 2019 appraisal should still be valid to set the 2021 market value, despite his appeal which requests a valuation of \$297,920. (Appeal). He asserts assessed valuations should not be equal to either the purchase price or appraised value, but should be less.

The Board of Review offered no witness testimony, but asserts there has been a spike in real estate sale prices and that assessed values are adjusted according to market trends. (Ex. D).

Analysis & Conclusions of Law

Sigwarth claims the subject property's assessment is not equitable as compared with the assessments of other like property in the taxing district and that it is assessed

⁴ Sigwarth arrived at other figures when calculating the difference between the assessments and sales prices. We are unable to replicate his calculations. Sigwarth asks that his assessed value be set at the average the figures he calculated, or 86% of his purchase price.

for more than the value authorized by law. § 441.37(1)(a)(1)(a & b). He confirmed at the time of hearing that his error claim was essentially his claim of inequity. Thus, we do not further analyze a separate claim of error.

Sigwarth's main concern is that his neighbors' assessed values are each below their sale prices, whereas his is above his 2019 purchase price. He contends this demonstrates inequity. Under section 441.37(1)(a)(1)(a), a taxpayer may claim that their "assessment is not equitable as compared with assessments of other like property in the taxing district." It is generally understood that the assessment is not discriminatory unless "it stands out above the general level." *Maxwell v. Shivers*, 133 N.W.2d 709,712 (Iowa 1965). See *Crary v. Bd. of Review of Boone*, 286 N.W. 428 (Iowa 1939). "Were the rule otherwise an isolated instance of underassessment might result in a general reduction for all similar properties." *Crary*, 286 N.W. at 430. See *Miller v. Property Assessment Appeal Bd.*, 2019 WL 3714977 (Iowa Ct. App. Aug. 7, 2019).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Sigwarth failed to show any inequitable variation in assessment methodology among comparable properties.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual values (2020 sales) and assessed values (2021 assessments) of comparable properties, the subject property is assessed at a higher portion of its actual value. As noted above a comparison of assessed values is insufficient to prevail on an inequity claim under *Maxwell*.

Sigwarth did not provide any comparables; yet the Board of Review submitted four recent sales in the subject's subdivision. These sales were submitted to demonstrate activity in the market place. Comparable 2, the most similar property, sold for and is assessed for substantially more than the subject. The remaining sales appear inferior to the subject property, yet the subject's assessment is at the low end of the

range. The assessment to sale price ratios for the 2020 sales indicate a range from 0.81 to 0.95. In addition to showing an assessment-to-sale-price ratio for comparable properties, the *Maxwell* analysis also requires a ratio to be developed for the subject property. Because Sigwarth's other claim also requires a demonstration of market value, we examine it now.

In an appeal alleging the property is assessed for more than the value authorized by law under section 441.37(1)(a)(1)(b), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer*, 759 N.W.2d at 780 (citation omitted). Under Iowa law, the subject property shall be valued at its actual value and is to be assessed at one hundred percent of that value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* "Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at its market value." *Id.* "In arriving at market value, sale prices of property in abnormal transactions not reflecting market value shall not be taken into account, or shall be adjusted to eliminate the effect of factors which distort market value, including but not limited to sales to immediate family of the seller, foreclosure or other forced sales, contract sales, discounted purchase transactions or purchase of adjoining land or other land to be operated as a unit." *Id.*

Sigwarth continues to maintain that his 2019 purchase price represents the actual value of the subject property as of January 1, 2021. However, the contemporaneous 2019 appraisal opined a value of \$305,000. Sigwarth and the Board of Review used this value when settling the 2020 assessment. Sigwarth believes either of these values should be used to establish inequity for his property based on its current assessment. For the reasons expressed below, however, we find neither the 2019 purchase price or appraisal represents the January 1, 2021 actual value of the subject.

Consistent with the general trend in other geographic areas, the Board of Review indicated an active real estate market in Black Hawk County throughout 2020 and 2021.

One of the most recent comparable sales in the record of property most similar, albeit likely superior in some aspects to the subject, was for \$394,370. The 2020 sales of nearby, but smaller and generally inferior properties, where equal to or greater than the subject's sale price. Specifically, Comparable 4 has a smaller site, no brick veneer, no fireplace, significantly less gross living area and basement finish, and fewer bathrooms than the subject. It sold for \$304,900 in September 2020. These sales were not adjusted for differences from the subject, but overall do not indicate the subject's assessment is excessive. In fact, it is our opinion the subject is likely underassessed based on the sales evidence. Given this, we conclude Sigwarth has failed to prove his property is over assessed. In turn, we conclude because he has not established the reasonable market value of the subject property as of the assessment date, no *Maxwell* ratio can be calculated for the subject property to prove inequity. We do not believe the subject's assessment stands out above the general level.

Viewing the record as a whole, we find Sigwarth failed to support his claims.

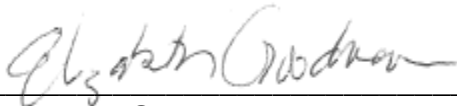
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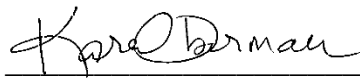
PAAB HEREBY AFFIRMS the Black Hawk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2021).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.


Elizabeth Goodman, Board Member


Karen Oberman, Board Member


Dennis Loll, Board Member

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Black Hawk County Board of Review by eFile